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U.S.-EU Trade and Technology Council: Background and Issues

The U.S.-EU Trade and Technology Council (TTC) is a high-level forum between the United States and European Union (EU) that aims to enhance cooperation on global technology, economic, and trade issues; promote shared prosperity and competitiveness; and support democratic, market-oriented values. Congress has had no formal role in approving TTC outcomes, and may have an interest in overseeing and shaping the TTC to a greater extent.

TTC Origins and Context

The United States and EU are each other's largest trade and investment partners. Upon entering into office, President Biden pledged "to repair and revitalize the U.S.-EU partnership," which some commentators asserted became "fraught" during the Trump Administration. To "kick-start" a "positive agenda" and strengthen trade, investment, and technological cooperation, the United States and EU announced the TTC at their June 2021 summit. That same year, they also reached interim resolutions on some contentious trade issues, such as the "Boeing-Airbus" dispute in the World Trade Organization; and U.S. Section 232 steel and aluminum tariffs and EU retaliatory tariffs.

The TTC is led on the U.S. side by the U.S. Trade Representative (USTR) and Secretaries of Commerce and State and on the EU side by the Commissioners for Trade and Competition (the European Commission is the EU's executive body). During 2021-2024, the TTC held six ministerial-level meetings at alternating U.S. and EU venues. The meetings yielded Joint Statements, except the fifth ministerial, which yielded separate readouts.

The TTC encompasses 10 working groups, covering topics such as technology, supply chains, and trade and investment (see **Table 1**). Working groups are chaired by relevant U.S. government agencies and European Commission departments (e.g., the global trade challenges working group is led by USTR and the Commission's Directorate-General for Trade). Cooperation includes issue-specific coordination, information sharing, and dialogue, with input from industry, labor, and other stakeholders.

The United States and European Union have cast the TTC as "the key forum for our cooperation on trade and technology matters." The TTC has played a key role in U.S.-EU coordination on export controls in response to Russia's war on Ukraine. Other outcomes have involved areas such as artificial intelligence (AI), supply chains, digital connectivity and infrastructure, investment screening, sustainability, non-market concerns (e.g., China's trade practices), and economic coercion.

On some issues (e.g., China's global influence), the United States and European Union share concerns but may vary on appropriate approaches, which may have resulted in limited TTC responses to these issues. On issues on which the parties have differed, such as regulation, the partners have

sought to use the TTC to ensure their regulatory approaches are "mutually reinforcing" and that policies avoid a subsidy "race to the bottom."

Table 1. TTC Working Groups

1. Technology standards
2. Climate and clean technology
3. Secure supply chains
4. Information and communications technology and services (ICTS) security and competitiveness
5. Data governance and technology platform regulation
6. Misuse of technology threatening security and human rights
7. Cooperation on export controls of dual use items
8. Investment screening cooperation
9. Promoting small- and medium-sized enterprise (SME) access to and use of digital technologies
10. Global trade challenges

Source: CRS, based on U.S. Department of State, TTC web page.

Ongoing U.S.-EU trade talks focus on other issues, including to: address carbon intensity and overcapacity in the steel and aluminum sectors; and negotiate a critical minerals agreement to enable EU critical minerals to qualify toward certain requirements related to electric vehicle (EV) tax credits in P.L. 117-169 (the Inflation Reduction Act of 2022, IRA). Most of the issues currently under consideration at the TTC aim to "update the rules of the road for the 21st century" (e.g., regulatory cooperation on new technologies) rather than address ongoing issues in areas such as the digital economy and agriculture.

Sixth Ministerial and Key Issues

According to a U.S.-EU joint statement on the April 2024 (sixth) ministerial of the TTC, the TTC "has realized substantial progress and achievements across all workstreams" since the meetings began. Per their Joint Statement, TTC outcomes show "[U.S.-EU] enduring ties... and the importance of maintaining an operational forum for cooperation on strategic trade and technology issues of common interest and geopolitical relevance." The partners also announced specific outcomes, such as a new dialogue on AI collaboration, their aim to extend two arrangements on semiconductor supply chain coordination, and a joint catalog on "green public procurement" best practices, as well as plans to engage with stakeholders to learn their views regarding the TTC's future. Previously characterized by Secretary of State Blinken as the "capstone TTC," the April 2024 ministerial was the last before the 2024 U.S. election. It is unclear whether the next Administration would seek to continue the TTC.

Supply Chains. Through the TTC, the United States and European Union have sought to identify and address shared supply chain vulnerabilities, promote diversification efforts, and establish related research and development priorities in areas such as semiconductors, solar energy, critical minerals, and pharmaceuticals. In May 2023, the partners

announced an early warning and monitoring mechanism for the semiconductors value chain, aiming to anticipate shortages, alleviate bottlenecks, and outline response measures. They also announced a transparency mechanism to share information on semiconductor sector public support. Per a EU January 2024 ministerial readout, for example, the United States and EU activated the early-warning mechanism, and agreed to intensify cooperation on critical raw material sourcing for semiconductors after China imposed export controls for gallium and germanium (key semiconductor inputs) in 2023. The TTC is also promoting sustainable and responsible supply chains with strong labor protections. The TTC Trade and Labor Dialogue (TALD), for example, has convened stakeholders to address the risk of forced labor in supply chains.

Digital Policy and Emerging Technologies. At the April 2024 ministerial, the United States and EU reaffirmed their commitment to cooperation on critical and emerging technologies, such as AI, quantum computing, 6G, semiconductors, and biotechnology. They also published an updated version of shared terminology and taxonomy related to AI. Cooperation on other technology issues is ongoing. A quantum task force continues to address outstanding issues necessary to launch joint action programs such as reciprocity in sharing research. Differences on issues not explicitly covered in the TTC, such as the implementation of new EU digital regulations, may continue to challenge U.S.-EU relations.

Sustainability. Per the April 2024 ministerial statement, the TTC's Transatlantic Initiative on Sustainable Trade (TIST) has advanced joint cooperation to transition to "climate-neutral" economies in the United States and EU. TIST has workstreams to support a transatlantic "green" marketplace that benefits businesses, workers, and consumers. The United States and EU agreed to continue efforts under TIST, including on potential avenues for cooperation on conformity assessments. Other areas of cooperation on sustainability include clean energy technology, supply chains, critical minerals, and "green" public procurement. The partners have sought stakeholder input on sustainability issues through the TIST and TALD.

Trade and Security. At the April 2024 ministerial, the United States and European Union reaffirmed their shared concerns about their "economic security," focusing on threats from "economic coercion," the "weaponization of economic dependencies," and non-market policies and practices. The parties stated their aim of "continuing efforts to de-risk and diversify" their trade and investment relations, including in "strategic supply chains," to counter such threats. They also stated their intent to continue coordinating export restrictions against Russia; holding technical exchanges on inbound investment review; exchanging information on outbound investment-related risks; and engaging on non-market risks, noting their engagement on China's medical devices sector.

Selected Issues for Congress

Congress may have an interest in the following TTC issues.

Congressional Role. Congress could assess its role in shaping the TTC's structure, priorities, and outcomes. It also could consider whether the TTC's executive-led

approach limits the durability and enforceability of outcomes not enacted in U.S. law. Congress also could consider whether or not to

- seek a more formal role in consultation or approval of TTC outcomes (e.g., P.L. 118-31, §6706, expresses the sense of Congress that the Department of State should provide regular updates on the TTC to the relevant congressional committees);
- strengthen reporting requirements (e.g., S.Rept. 118-198, notes that the Senate Appropriations Committee "awaits receipt" of a Commerce-USTR report on the TTC); or
- add a TTC parliamentary component or use the Transatlantic Legislators' Dialogue (between U.S. House Members and the European Parliament) to shape the TTC.

Focus Areas. Congress may assess the TTC's prioritization of some geopolitical issues (e.g., responses to Russia's aggression in Ukraine), compared to other bilateral trade and technology issues. Some Members and industry stakeholders have called for the United States to use the TTC to raise concerns, for example, about the EU's digital policies and pursue more regulatory cooperation. One think tank has proposed that the TTC should "incorporate a trade agreement framework" that more concretely links cooperation on technology with advancing common trade interests. Congress could legislate explicitly on the TTC or TTC-related issues (e.g., H.R. 6571 directs U.S. consultations with allies or partners on supply chains).

Effectiveness. Congress may examine whether the TTC is effective for advancing U.S.-EU trade cooperation and U.S. competitiveness in EU markets. Some Members and stakeholders point to the TTC's creation as evidence of advances in renewing U.S.-EU trade relations. At the same time, some Members and stakeholders also call for concrete deliverables and express concern that "talk" rather than "action" on difficult issues may cause the TTC to lose momentum. Others assert that the TTC dialogue process is important for relationship building and that meaningful progress may take time, potentially across several ministerial meetings. Observers are weighing political focus garnered from regular high-level meetings against the capacity of working groups to secure technical cooperation and substantive outcomes at the meetings.

Congress may examine how the TTC relates to other ongoing U.S.-EU trade engagements and whether other mechanisms may be leveraged to advance U.S. trade policy interests. One possibility is to revisit comprehensive U.S.-EU free trade agreement (FTA) negotiations and whether or not the TTC serves as a substitute for an FTA, given that U.S. and EU political support for an FTA may be limited.

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